

**CITY OF MIAMI BEACH  
COMMISSION ITEM SUMMARY**



**Condensed Title:**

Accepting the Recommendation of the City Manager Pertaining to the Ranking of Proposals Received Pursuant to Request For Proposals (RFP) No. 41-01/02, for e-Procurement Services; Authorizing the Administration to Enter Into Negotiations with the Top-Ranked Firm of BidNet; and Further Authorizing the Mayor And City Clerk to Execute an Agreement with BidNet to Provide e-Procurement Services.

**Issue:**

Shall the City Manager's recommendation be approved?

**Item Summary/Recommendation:**

During deliberations, the evaluation committee members discussed their individual ranking of the eight (8) firms and determined unanimously, that BidNet was the top-ranked firm.

BidNet has provided bid information services to both government agencies and government vendors for over 15 years. Specifically, BidNet provides a service that receives bid information from several government agencies from across the United States and matches that information with the agencies database of vendors. BidNet provides both fax and e-mail services to notify our vendors of new bid opportunities (and amendments/addenda); coupled with an internet service that allows them to view or print the actual bid notices, bid documents and addenda online.

The costs for vendor registrations facilitated by BidNet for the City of Miami Beach includes our standard three (3) registration options (e-mail, fax and free). All vendors that wish to do business with the City of Miami Beach would be required to register in the system. BidNet will derive its revenue to support this system by charging an annual fee (\$29.95) to those vendors who choose to register for fax or e-mail notification.

**ADOPT THE RESOLUTION.**

**Advisory Board Recommendation:**

On December 20, 2002, the Community Affairs Committee (CAC), recommended that the e-Procurement system be implemented.

**Financial Information:**

Source of Funds:		Amount	Account	Approved
<div style="border: 1px solid black; width: 40px; height: 40px; display: inline-block;"></div> Finance Dept.	1	\$0		
	2			
	3			
	4			
	<b>Total</b>			

**City Clerk's Office Legislative Tracking:**

Gus Lopez, ext. 6641.

**Sign-Offs:**

Department Director	Assistant City Manager	City Manager
GL: _____	MDB: _____	JMG:

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AGENDA ITEM   C7F    
DATE   1-8-03

# CITY OF MIAMI BEACH

CITY HALL 1700 CONVENTION CENTER DRIVE MIAMI BEACH, FLORIDA 33139  
www.ci.miami-beach.fl.us



## COMMISSION MEMORANDUM

**To:** Mayor David Dermer and  
Members of the City Commission **Date:** January 8, 2003

**From:** Jorge M. Gonzalez  
City Manager *Jorge*

**Subject:** **A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, ACCEPTING THE RECOMMENDATION OF THE CITY MANAGER PERTAINING TO THE RANKING OF PROPOSALS RECEIVED PURSUANT TO REQUEST FOR PROPOSALS (RFP) NO. 41-01/02, FOR E-PROCUREMENT SERVICES; AUTHORIZING THE ADMINISTRATION TO ENTER INTO NEGOTIATIONS WITH THE TOP-RANKED FIRM OF BIDNET; AND FURTHER AUTHORIZING THE MAYOR AND CITY CLERK TO EXECUTE AN AGREEMENT WITH BIDNET TO PROVIDE E-PROCUREMENT SERVICES.**

### ADMINISTRATIVE RECOMMENDATION

Adopt the Resolution.

### ANALYSIS

The City Commission on December 19, 1999, approved a contract award to Information on Demand, pursuant to St. Johns County Contract No. 99/93, to manage the City's vendor database and to issue solicitation announcements for the City's Procurement Division.

Subsequent to the City's contract award, Information on Demand changed its name to DemandStar.com, subsequently; DemandStar.com was purchased by Onvia, and changed their name to DemandStar by Onvia ("DemandStar").

Vendors desiring to subscribe to the DemandStar service are paying a \$30 annual subscription fee, which enables them to download solicitation announcements issued by the City of Miami Beach. Prior to DemandStar, vendors paid a \$20 annual subscription fee to the City, which enabled them to receive via mail, facsimile or in person, upon request, any and all solicitations.

It was anticipated that by contracting with DemandStar, the City would receive a greater number of responses to solicitations, as vendors from across the State will be merged with the City's current vendors to provide for a more competitive environment. The results reflect that the number of responses received on solicitations *prior to* DemandStar, when compared to the number of responses received since the implementation of DemandStar, remains unchanged.

On May 29, 2002, the City Commission adopted a resolution which authorized the issuance of an RFP for the establishment of an e-Procurement system of solicitation announcements and document fulfillment services.

The scope of services in RFP No. 41-01/02 included the following two minimum requirements:

**1. Publish solicitations on-line.** Solicitations include Invitation for Bids (Bids), Request for Proposals (RFPs), Request for Qualifications (RFQs), Request for Letters of Interest (RFLIs), and Invitation to Quote (ITQ).

**2. Publish solicitation and bid awards on-line.** Applies to bid openings as well as bid tabulated results. Awards published online should include protest information, such as where and how the protest should be filed.

In addition to the minimum requirements stated above, the scope of services stated that the City might consider the following list of enhanced services:

**1. Issue solicitation/bid announcements electronically.** Vendors who are registered receive e-mail notification of procurement opportunities for the commodity codes which they have registered for.

**2. Create an on-line library of relevant policies and procedures to include:** Ordinances, resolutions, sections of the City Code, Florida Statutes, and Federal law as applied to federally funded projects.

**3. Electronic filing of written communications.** E-mail copies of prospective bidders' written communications that fall under the County and City Cone of Silence requirements. This feature involves providing an electronic copy of all e-mail communication between procurement staff, proposers, or respondents to RFQs, RFPs and bids, thus satisfying the requirements of the Cone of Silence.

**4. Enable interactive completion and submission of forms on-line.** Form field with scroll-down menus with valid options, thus ensuring correct information is filled in.

**5. Accommodate online bidding and proposal submissions.** Establish interactive reverse online auctions and make bid tabulations available for real-time online viewing.

**6. Online acquisition of small purchases (<\$1,000).** This feature allows departments to purchase online from approved City vendors any purchase for goods or services (equipment is prohibited), via an electronic means.

**7. Establish on-line reference centers tailored for internal and external users.** Create a Help Desk. Make a "Virtual Vendor Information Center." Provide departmental instructions, staff responsibilities and contact information, and checklists. Publish frequently asked questions (FAQs) with answers.

**8. Advertise surplus vehicle auctions online.** This feature involves posting notices of the time and place of upcoming City auctions, which includes: 1) police confiscated items; 2) City surplus items; and 3) City vehicles.

**9. Publish a list of current City contracts online including standard details.** This option should include information on current contract status, expiration date, and any options for renewal.

**10. Make available information and links to resources for businesses.**

This feature involves listing upcoming events for businesses (such as seminars and workshops), and providing links to minority and small business association websites.

**11. Publish on-line standard shells for solicitations and contracts to include standard-clause dictionary, and definitions.** This feature involves a clarification of commonly used procurement terminology, and the publishing of contract and solicitation templates on the website. Also involves timely posting of any revisions, additions, and deletions to existing legislation immediately upon adoption by the City Commission.

**12. Make various databases accessible to City departments.** Include databases for registered vendors, vendor applications, A&E firms, debarred and/or suspended firms, vendor performance information, vendors-in-arrears to the City, vendors with current occupational licenses, State of Florida, Secretary of State (for corporate information), and State of Florida Department of Business & Professional Regulation (for licensing information).

**13. Publish available procurement training information.** This feature involves announcing possible future training sessions the e-Procurement application (depending on its features and complexity), and various other procurement issues (i.e. *“How To Do Business with the City”*, *“Understanding Public Sector Procurement”*, *“Understanding City Ordinances and Regulations”*, targeting both City employees and vendors.

## **RFP PROCESS**

On June 13, 2002, DemandStar by Onvia (“DemandStar”) issued notices to 505 individuals/firms. Additionally, the Procurement Division supplemented DemandStar’s broadcast list that resulted in 100 firms obtaining a copy of the RFP. Proposals were received from 8 firms: 1) e-Bid Systems; 2) DemandStar by Onvia; 3) BidNet; 4) Netsoft Creations; 5) Prime; 6) Maximus; 7) Pomeroy Computer; and 8) Radiant Systems, Inc.

The City Manager via Letter to Commission (LTC), appointed an Evaluation Committee (“the Committee”) consisting of the following individuals:

- Tony Arroyo, Division Director, Miami-Dade County
- Pamela Burns, Sr. Contracts Officer, City of Miami
- Elliot Grossman, Resident, IT Consultant
- Gus Lopez, Procurement Director
- Oscar Santiesteban, Database Administrator, City of Miami Beach

The Committee evaluated the proposals based on the criteria reflected in the RFP and as listed below:

<b><u>Evaluation Criteria</u></b>	<b><u>WEIGHT</u></b>
Past/Current Performance Relative to e-Procurement system(s):	30%
Experience and Qualifications of the Firm and its Staff members in implementing successful e-Procurement system(s):	20%
Cost to Either the City and/or the City’s Suppliers of Goods and Services:	20%
Approach and Methodology for Implementation and Maintenance of e-Procurement system:	20%
Ability to increase the number of responses to the City’s solicitations:	10%

After thorough evaluation and discussion of the proposals received, the Committee unanimously agreed to shortlist the following four (4) firms for presentations:

- e-Bid Systems;
- DemandStar by Onvia
- BidNet
- Maximus

On October 7, 2002, the Committee convened and all members were in attendance except for Mr. Tony Arroyo. The Committee listened to 15-minute presentations and participated in 15-minute question and answer sessions.

During deliberations, the Committee members discussed their individual ranking of the four (4) firms and arrived at the following Committee ranking:

<u>Committee Members</u>	<u>BidNet</u>	<u>DemandStar</u>	<u>e-Bid</u>	<u>Maximus</u>
Pamela Burns	8.4 (1)	1.9 (3)	4.7 (2)	1.0 (4)
Gus Lopez	9.0 (1)	7.0 (2)	6.5 (3)	5.0 (4)
Oscar Santiesteban	7.0 (1)	5.3 (2)	4.6 (3)	4.5 (4)
Elliot Grossman	<u>7.9 (1)</u>	<u>7.5 (2)</u>	<u>3.3 (4)</u>	<u>3.4 (3)</u>
TOTAL	32.3 (1)	21.7 (2)	19.1 (3)	13.9 (4)

### **BidNet's Experience and Qualifications**

BidNet has provided bid information services to both government agencies and government vendors for over 15 years. Specifically, BidNet provides a service that receives bid information from government agencies across the United States and matches that information to their national database of government vendors. BidNet provides both fax and e-mail services to notify the City's vendors of new bid opportunities (and amendments/addenda), coupled with an Internet service that allows them to view or print the actual bid notices, bid documents and addenda online.

### **BidNet's Sub-Consultant's (Orbis Online's) Experience and Qualifications**

BidNet in association with Orbis Online has offered at no cost to the City, the capability to conduct reverse auctions. Reverse auctions are competitive bidding events that are conducted live, via the Internet. The reverse auctions allow for suppliers to login and submit pricing information in response to request for quotations. They are similar to e-Bay auctions, but with the complete opposite goal (hence the term *reverse*). E-Bay auctions strive to obtain the highest possible bid, while reverse auctions strive to obtain the lowest possible cost for the items being purchased. There are two standard types of reverse auctions:

- 1) **Sealed Bid Auctions** allows suppliers to place only one price quote and all quotes remain unavailable for viewing until the auction is closed; and
- 2) **Real-Time Reverse Auctions** occur at a predetermined date and time, generally scheduled to last from one to two hours. Suppliers may make multiple bids throughout the auction, and may view their competitors pricing.

### **References for the e-Procurement and Reverse Auction Systems in the State of Florida**

- 1) **The Florida Panhandle System.** BidNet implemented the Santa Rosa County School Board e-procurement system on May 1, 2001. The system accommodates all 15 Counties and their respective local governments within the Florida Panhandle.
- 2) **City of Orlando, FL.** Orbis Online conducted an online real-time reverse auction for the City of Orlando, FL for its annual service contract for janitorial supplies.
- 3) **City of Tampa Bay, FL.** Orbis Online, Inc., conducted two online real-time reverse auctions for the City of Tampa Bay.

### **Costs for Vendor Registrations Facilitated by BidNet for the City of Miami Beach**

This includes BidNet's standard 3 registration options (e-mail, fax and free). For automatic notification via e-mail or fax, the cost is \$29.95 for one year, \$49.95 for two years, or \$59.95 for three years. Vendors can also registered for free and may visit the City's website or the Procurement Division to obtain a copy of a Bid, RFP, or RFQ.

### **Proposed BidNet Implementation**

The City of Miami Beach provides BidNet with 2 databases; the database of registered vendors with DemandStar and the City's database. BidNet will work with the City to develop 2 letters; one explaining the new e-Procurement system that the vendors on the DemandStar system should move to and a 2<sup>nd</sup> letter to those vendors in the City's database that are not registered at all. **BidNet will waive the registration fee for 6 months, to those vendors currently registered with DemandStar.**

In an effort to increase the registrations on this system as quickly as possible, BidNet will also send an announcement to its national vendors alerting them of the City's new system and offer them the opportunity to register for the fax or e-mail service free of charge. There would be no cost to the City for BidNet to send this announcement.

BidNet is willing to provide reasonable modifications at no charge. Examples of reasonable modifications would include changes to existing reports, new reports, and new searching abilities for the vendor database or the Miami Beach Bid Library.

### **CONCLUSION**

The Administration recommends that the Mayor and City Commission adopt the attached resolution which accepts the City Manager's, the Evaluation Committee's, and the Community Affairs Committee's recommendation; authorizes the Administration to enter into negotiations; and if successful, authorizes the Mayor and City Clerk to execute an agreement with BidNet, the top-ranked proposer, to implement an e-Procurement system.

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**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA ACCEPTING THE RECOMMENDATION OF THE CITY MANAGER PERTAINING TO THE RANKING OF PROPOSALS RECEIVED PURSUANT TO REQUEST FOR PROPOSALS (RFP) NO. 41-01/02, FOR E-PROCUREMENT SERVICES; AUTHORIZING THE ADMINISTRATION TO ENTER INTO NEGOTIATIONS WITH THE TOP-RANKED FIRM OF BIDNET; AND FURTHER AUTHORIZING THE MAYOR AND CITY CLERK TO EXECUTE AN AGREEMENT WITH BIDNET TO PROVIDE E-PROCUREMENT SERVICES.**

**WHEREAS**, The City Commission on December 19, 1999, approved a contract award to Information on Demand, pursuant to St. Johns County Contract No. 99/93, to manage the City's vendor database and to issue solicitation announcements for the City's Procurement Division; and

**WHEREAS**, It was anticipated that by contracting with DemandStar, the City would receive a greater number of responses to solicitations, as vendors from across the State will be merged with the City's current vendors to provide for a more competitive environment. The results reflect that the number of responses received on solicitations *prior to* DemandStar, when compared to the number of responses received since the implementation of DemandStar, remains unchanged; and

**WHEREAS**, On May 29, 2002, the City Commission adopted a resolution which authorized the issuance of an RFP for the establishment of an e-Procurement system of solicitation announcements and document fulfillment services; and

**WHEREAS**, On June 13, 2002, DemandStar by Onvia ("DemandStar") issued notices to 505 individuals/firms. Additionally, the Procurement Division supplemented DemandStar's broadcast list that resulted in 100 firms obtaining a copy of the RFP. Proposals were received from 8 firms: 1) e-Bid Systems; 2) DemandStar by Onvia; 3) BidNet; 4) Netsoft Creations; 5) Prime; 6) Maximus; 7) Pomeroy Computer; and 8) Radiant Systems, Inc.; and

**WHEREAS**, an Evaluation Committee was appointed by the City Manager consisting of the following individuals:

- Tony Arroyo, Division Director, Miami-Dade County
- Pamela Burns, Sr. Contracts Officer, City of Miami
- Elliot Grossman, Resident, IT Consultant
- Gus Lopez, Procurement Director
- Oscar Santiesteban, Database Administrator, City of Miami Beach; and

**WHEREAS**, after thorough evaluation and discussion of the proposals received, the Committee unanimously agreed to shortlist the following four (4) firms for presentations:

- e-Bid Systems
- DemandStar by Onvia
- BidNet
- Maximus; and



**WHEREAS**, On October 7, 2002, the Committee convened and all members were in attendance except for Mr. Tony Arroyo. The Committee listened to 15-minute presentations from the four (4) firms, and participated in 15-minute question and answer sessions and arrived at the following Committee ranking:

- First: BidNet
- Second: DemandStar
- Third: e-Bid Systems
- Fourth: Maximus; and

**WHEREAS**, the City Manager has reviewed the Evaluation Committee's recommendation, and herein recommends that the Mayor and City Commission enter into negotiations with the top-ranked firm of BidNet; and further authorizing the Mayor and City Clerk to execute an Agreement with BidNet to provide E-Procurement services.

**NOW, THEREFORE, BE IT DULY RESOLVED BY THE MAYOR AND THE CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA**, that the Mayor and City Commission herein accept the recommendation of the City Manager pertaining to the proposals received pursuant to Request for Proposals (RFP) No. 41-01/02 for E-Procurement Services; authorizing the Administration to enter into negotiations with the top-ranked firm of BidNet; and further authorizing the Mayor and City Clerk to execute an Agreement with BidNet to provide E-Procurement Services.

**PASSED and ADOPTED** this \_\_\_\_ day of \_\_\_\_, 2003.

**ATTEST:**

\_\_\_\_\_  
**MAYOR**

\_\_\_\_\_  
**CITY CLERK**

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**APPROVED AS TO  
FORM & LANGUAGE  
& FOR EXECUTION**

  
\_\_\_\_\_  
**City Attorney** *DL*

*1/3/03*  
\_\_\_\_\_  
**Date**